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19 April 1951

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MEMORANDUM FOR THE NATIONAL SECURITY COUNCIL

FROM : The Director of Central Intelligence

SUBJECT: Appraisal of Foreign Economic Intelligence Requirements,
Facilities, and Arrangements Related to the National Security

1. In accordance with the instructions of the National Security Council in NSC Action 282, the Central Intelligence Agency has conducted a study of foreign economic intelligence requirements relating to the national security and of the facilities and arrangements currently employed for meeting those requirements.
2. As the study has progressed, both the requirements and the facilities and arrangements have been changing in response to changes in the international situation and in the organization of various agencies of the Government.
3. It is believed that the facilities and arrangements now in effect or contemplated by the various agencies will go far toward providing the basis for the adequate coverage of economic intelligence relating to the national security whose lack prompted NSC Action 282. CIA itself is engaged in strengthening its work in economic intelligence production as a service of common concern. The Office of Research and Reports has been established to coordinate the economic intelligence activities of other agencies and to produce such economic intelligence as is not otherwise allocated.
4. For reasons explained in Tab A it is believed that it is neither practicable nor desirable to recommend at this time a formal allocation

S-E-C-R-E-T

S-E-C-R-E-T

-2-

by the National Security Council of responsibility for economic intelligence production among the various agencies.

5. What is immediately needed is machinery to insure regular procedures whereby (1) the full economic knowledge and technical talent available in the Government can be brought to bear on specific issues involving the national security, and (2) important gaps in the collective economic knowledge of the Government can be identified on a continuing basis and responsibility for filling them be allocated as they are disclosed.

6. To meet this need, the Director of Central Intelligence proposes, with the concurrence of the Intelligence Advisory Committee, to establish an Economic Intelligence Committee. Terms of reference for this committee are described in Tab A.

7. To clarify the role of the Central Intelligence Agency in the coordination and production of economic intelligence, it is suggested that the National Security Council issue the attached NSCID (Tab B). It would be desirable to invite the Economic Cooperation Administration, the Department of Commerce, and the Treasury Department to sit with the permanent members of the National Security Council when this document is being discussed.

8. It is further suggested that the National Security Council call to the attention of the relevant agencies of the Government the urgency of a collaborative effort to exploit the intelligence resources of the Government for security purposes. A draft of a proposed communication from the National Security Council asking that high priority be given to required cooperation from the Economic Intelligence Committee is

S-E-C-R-E-T

-3-

9. The Director of Central Intelligence will keep under continuing review the arrangements of the United States Government for the production of economic intelligence and will make further recommendations concerning specific allocations of responsibility should this appear desirable at any time in the future.